



March 30, 2001

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## ENGROSSED HOUSE BILL No. 1199

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DIGEST OF HB 1199 (Updated March 28, 2001 11:22 AM - DI 51)

**Citations Affected:** IC 22-2.

**Synopsis:** Voluntary wage assignments. Permits an employee to enter into a voluntary wage assignment for the purpose of paying a judgment owed by the employee, if the payment: (1) is made under an agreement between the creditor and the employee; and (2) is not a garnishment.

**Effective:** July 1, 2001.

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**Young D, Kuzman**

(SENATE SPONSOR — KENLEY)

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January 9, 2001, read first time and referred to Committee on Judiciary.  
February 20, 2001, amended, reported — Do Pass.  
February 26, 2001, read second time, ordered engrossed.  
February 27, 2001, engrossed. Read third time, passed. Yeas 92, nays 0.

SENATE ACTION

March 5, 2001, read first time and referred to Committee on Judiciary.  
March 29, 2001, reported favorably — Do Pass.

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EH 1199—LS 6822/DI 102+



March 30, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

## ENGROSSED HOUSE BILL No. 1199

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A BILL FOR AN ACT to amend the Indiana Code concerning labor.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 22-2-6-2 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2001]: Sec. 2. (a) Any assignment of the wages  
3 of an employee is valid only if all of the following conditions are  
4 satisfied:

5       (1) The assignment is:

6           (A) in writing;

7           (B) signed by the employee personally;

8           (C) by its terms revocable at any time by the employee upon  
9           written notice to the employer; and

10          (D) agreed to in writing by the employer.

11       (2) An executed copy of the assignment is delivered to the  
12       employer within ten (10) days after its execution.

13       (3) The assignment is made for a purpose described in subsection

14       (b).

15       (b) A wage assignment under this section may be made for the  
16       purpose of paying any of the following:

17           (1) Premium on a policy of insurance obtained for the employee  
18           by the employer.

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(2) Pledge or contribution of the employee to a charitable or nonprofit organization.

(3) Purchase price of bonds or securities, issued or guaranteed by the United States.

(4) Purchase price of shares of stock, or fractional interests therein, of the employing company, or of a company owning the majority of the issued and outstanding stock of the employing company, whether purchased from such company, in the open market or otherwise. However, if such shares are to be purchased on installments pursuant to a written purchase agreement, the employee has the right under the purchase agreement at any time before completing purchase of such shares to cancel said agreement and to have repaid promptly the amount of all installment payments which theretofore have been made.

(5) Dues to become owing by the employee to a labor organization of which the employee is a member.

(6) Purchase price of merchandise sold by the employer to the employee, at the written request of the employee.

(7) Amount of a loan made to the employee by the employer and evidenced by a written instrument executed by the employee **subject to the amount limits set forth in section 4(c) of this chapter.**

(8) Contributions, assessments, or dues of the employee to a hospital service or a surgical or medical expense plan or to an employees' association, trust, or plan existing for the purpose of paying pensions or other benefits to said employee or to others designated by the employee.

(9) Payment to any credit union, nonprofit organizations, or associations of employees of such employer organized under any law of this state or of the United States.

(10) Payment to any person or organization regulated under the Uniform Consumer Credit Code (IC 24-4.5) for deposit or credit to the employee's account by electronic transfer or as otherwise designated by the employee.

(11) Premiums on policies of insurance and annuities purchased by the employee on the employee's life.

(12) The purchase price of shares or fractional interest in shares in one (1) or more mutual funds.

**(13) A judgment owed by the employee if the payment:**

**(A) is made in accordance with an agreement between the employee and the creditor; and**

**(B) is not a garnishment under IC 34-25-3.**



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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred House Bill 1199, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 20, after "employee" insert "**subject to the amount limits set forth in section 4(c) of this chapter.**".

and when so amended that said bill do pass.

(Reference is to HB 1199 as introduced.)

STURTZ, Chair

Committee Vote: yeas 11, nays 0.

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Judiciary, to which was referred House Bill No. 1199, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to House Bill 1199 as printed February 21, 2001.)

BRAY, Chairperson

Committee Vote: Yeas 8, Nays 0.

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EH 1199—LS 6822/DI 102+

